Bill Will Create a Higher Ed Disaster Relief Loan Program, Rein in Tuition Hikes, and Make Financial Aid More Accessible
July 31, 2008

WASHINGTON, D.C. -- U.S. Rep. Charlie Melancon (D-La.) today joined an overwhelming bipartisan majority in the House of Representatives to approve final legislation that would address the soaring price of college tuition and remove other obstacles that make it harder for qualified students to go to college. Rep. Melancon also successfully worked to include a provision in the final bill creating an Education Disaster and Emergency Relief Program. This loan program would aid higher education institutions affected by presidentially declared major disasters or emergencies, including those schools damaged by Hurricanes Katrina and Rita. Bill Will Create a Higher Ed Disaster Relief Loan Program, Rein in Tuition Hikes, and Make Financial Aid More Accessible

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By an overwhelming bipartisan vote of 380 to 49, the House approved the *Higher Education Opportunity Act* (H. R. 4137), which would reform and strengthen the nation's higher education programs to ensure that they operate in the best interests of students and families. The Senate is also expected to take a final vote on the legislation this week; if passed the bill would then be sent to the President's desk for his signature.

"The many opportunities higher education can provide should be available to any student who is willing to work hard and earn a degree," said Rep. Melancon. Unfortunately, skyrocketing tuition costs are limiting these opportunities for many students in Louisiana and across the country. This comprehensive legislation will help make a college education more affordable and accessible for all students, and I am proud to support it."

"I am also pleased that the Education Disaster and Emergency Relief Program was included in the final version of this bill, which we expect to be signed into law. This loan program will not only help our colleges and universities in south Louisiana continue to recover from the 2005 hurricanes, it will put in place a mechanism to help institutions affected by future disasters rebuild. Providing these higher education bridge loans will help disaster-stricken institutions recover faster and get their students back in the classroom sooner, and I thank committee leadership for supporting this provision."

The Education Disaster and Emergency Relief Program created by this legislation would

provide guaranteed disaster loans to higher education institutions suffering losses from major natural or man-made disasters. These loans will help these institutions meet the immediate cash flow loss after a disaster. While any higher education institution in a federally declared disaster area would be eligible to apply for a loan, approval and loan details would be left to the discretion of the U.S. Department of Education.

In April, Rep. Melancon led up a <u>delegation letter</u> urging Congressional leadership to include the loan program provision in the final version of the higher education bill. In the letter, Rep. Melancon and other Gulf Coast members of Congress wrote,

"With such a program in place, institutions across the country will know that if a major disaster affects their campus that a federal loan will be available to assist them in becoming fully operational again."

During a July Congressional delegation trip Rep. Melancon, Speaker Nancy Pelosi, and Majority Whip Jim Clyburn led to the Gulf Coast, members of Congress heard about the need for this loan program from New Orleans area higher education leaders.

The *Higher Education Opportunity Act* is the third major piece of legislation Rep. Melancon has voted for during this Congress to make college more affordable and accessible for all qualified students. Last year, Congress enacted into law a \$20 billion increase in college financial aid over the next five years, the largest increase in student aid since the G.I. Bill of 1944. This spring, he supported the Ensuring Continued Access to Student Loans Act of 2008 (H.R. 5715), which would expand access to college aid and guard it against the current credit crunch. Earlier this year, Rep. Melancon voted for a previous version of the *Higher Education Opportunity Act*

, then called the College Opportunity and Affordability Act, when the House passed it.

An October 2007 report from the College Board showed that, over the previous five years, tuition and fees had increased across the board, at public and private colleges and at two-year and four-year colleges. Tuition and fees at four-year colleges nationwide grew by almost 4 percent between 2006-07 and 2007-8, when adjusted for inflation. The bill would address these rising prices by encouraging colleges to rein in price increases, ensuring that states maintain their commitments to higher education funding, and providing students and families with consumer friendly information on college pricing and the factors driving tuition increases (click here

for more information.)

The legislation also strengthens provisions previously approved by the House to avoid conflicts of interest in the student loan programs (<u>click here</u> for details). The bill's new provisions include requiring better consumer disclosures and protections on private student loans. Together these protections form a Bill of Rights for college consumers.

Rep. Melancon continued, "A better educated and skilled workforce is the key to Louisiana's future prosperity, and I am proud to support legislation that will help prepare more students in our state for those jobs."

In addition, the *Higher Education Opportunity Act* would:

- Make textbook costs more manageable for students by, among other things, helping them plan for textbook expenses in advance of each semester; (click here for more details);
 - Allow students to receive year-round Pell Grant scholarships;
- Strengthen college readiness and support programs for minority and low-income students (<u>click here</u> for more details); Increase college aid and support programs for veterans and military families;
- Improve safety on college campuses and help schools recover and rebuild after a disaster;
- Ensure equal college opportunities and fair learning environments for students with disabilities;
- Streamline the federal student financial aid application process (<u>click here</u> for details); and
- Strengthen our nation's workforce and economic competitiveness by boosting science, technology, and foreign language educational opportunities.

H.R. 4137 is a comprehensive reauthorization of the Higher Education Act, the primary federal law aimed at expanding college access for low- and middle-income students. The bill is supported by a broad coalition of students, colleges and universities, consumer rights advocacy groups, minority organizations, and more. To see a full list of supporters, click here.

or more information on the Higher Education Opportunity Act, see the fact sheet below.

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The Higher Education Opportunity Act Expanding College Access, Strengthening our Future

A college education continues to be the best path to the middle class. But more and more, high college prices and other obstacles are putting a college degree further out of reach for America's students. In addition to rising tuition, students and their families face an overly complex federal student aid application process and a student loan industry mired in conflicts of interest and corrupt lending practices.

The *Higher Education Opportunity Act* will continue this Congress' effort to make college more affordable and accessible. This bill would reform our higher education system so that it operates in the best interests of students and families, while boosting our competitiveness and strengthening our future. The legislation would:

Encourage colleges to rein in price increases and provide consumers with helpful information

- Creates a user-friendly website to provide students and families with helpful information, such as tuition prices, graduation rates, and popular majors, when making important education decisions.
- Establishes web-based calculators that would provide students and families with early estimates of their expected college costs, and allow them to estimate the annual and total cost of a college education based on individual colleges and universities.
- Holds colleges and universities accountable for their tuition hikes by requiring them to report their reasons for tuition increases.
- Ensures states maintain higher education funding and encourages colleges to use innovative methods to keep costs down.

Restore integrity and accountability to the student loan programs

- Requires institutions and lenders to adopt strict codes of conduct.
- Provides students with fair and full information about their borrowing options when taking out and repaying student loans, including the terms and conditions of both federal and private student loans; and promotes financial literacy and education for students and parents.
 - Protects students from aggressive marketing practices by lenders.

Simplify the federal student aid application process

- Streamlines the Free Application for Federal Student Aid (FAFSA) process, and creates an easy-to-navigate two-page FAFSA-EZ form for low-income families.
 - Provides families with extra time to plan for their college expenses.
- Encourages the Department of Education to coordinate with the Internal Revenue Service to use information that the government already has.

Make textbook costs more manageable

- Provides students with advance information on textbook pricing to help them plan for expenses before each semester.
 - Ensures that colleges and faculty have full textbook pricing information when making

purchasing decisions.

- Requires publishers to provide pricing information on "unbundled" versions of every "bundled" textbook they sell.

Expand college access and support for low-income and minority students

- Makes college more affordable for low-income and non-traditional students by allowing students to receive Pell Grant scholarship aid year round.
- Expands funding for graduate student programs at Historically Black Colleges and Universities, Hispanic Serving Institutions, and other minority serving schools.
- Strengthens the TRIO and GEAR UP college readiness and support programs for low-income and first-generation students.

Increase college aid and support for veterans and military families

- Creates a new scholarship program for active duty military personnel and family members, including children and spouses of active duty military service members or veterans.
 - Establishes support centers to help veterans succeed in college and graduate.
- Ensures fairness in student aid and housing aid for veterans to make it easier for them to go to college while also fulfilling their military service duties.

Ensure equal college opportunities for students with disabilities

- Establishes a national center to provide support services and best practices for colleges, students with disabilities, and their families.
- Helps colleges recruit, retain, and graduate students with disabilities and improves education materials and facilities.
- Expands eligibility for Pell Grant scholarships and other need-based aid for students with intellectual disabilities.

Boost campus safety and disaster readiness plans

- Helps all colleges develop and implement state-of-the-art emergency systems and campus safety plans, and requires the Department of Education to develop and maintain a

disaster plan in preparation for emergencies.

- Creates a National Center for Campus Safety at the Department of Justice to work in collaboration with the COPS Program.
- Establishes a disaster relief loan program to help schools recover and rebuild in the event of a disaster.

Encourage colleges to adopt sustainable and energy-efficient practices

- Creates a grant program to help colleges and universities design and implement sustainable practices.
- Convenes the first-ever higher education summit on sustainability to examine how to implement energy efficient and sustainable practices at institutions of higher education.

Strengthen our workforce and our competitiveness

- Creates programs to bolster students' interest in science, technology and critical foreign languages through collaborations with businesses and other stakeholders.
- Improves teacher training and development programs and focuses on recruiting teachers into high demand science and technology fields.
- Encourages students to enter vital public service jobs by authorizing up to \$10,000 in loan forgiveness for public defenders, prosecutors, firefighters, military service members, first responders, law enforcement officers, educators, nurses, and others serving the public interest.